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Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 INT-05 EA-09 CIAE-00 DODE-00 PM-04
H-02 INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01
SP-02 SS-15 USIA-15 /085 W
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R 102145Z JUN 77
FM USMISSION USUN NEW YORK
TO HICOMTERPACIS SAIPAN MARIANA ISLANDS
INFO SECSTATE WASHDC 3990

UNCLAS SECTION 1 OF 2 USUN 1860

HICOM PASS TO COM AND STATUS LNO

MICRONESIAN NEW SERVICE SAIPAN

E.O. 11652: N/A
TAGS: UNTC, TQ
SUBJECT: REMARKS BY CONGRESS OF MICRONESIA (COM SPECIAL ADVISERS

NEW YORK--JUNE 6, 1977--(CONGRESS RELEASE)-- MICRONESIA'S LEGAL INSTITUTIONS ARE THE ONLY PROPER INSTRUMENTS...THROUGH WHICH STATUS NEGOTIATIONS MUST BE CONDUCTED.

THESE AND OTHER COMMENTS WERE EXPRESSED IN STATEMENTS MADE BY COM SPECIAL ADVISERS TO THE U.S. DELEGATION AT THE TRUSTEESHIP COUNCIL, SENATOR AMBILOS IEHSI AND REPRESENTATIVE RAYMOND STIK.

IEHSI, WHO IS VICE PRESIDENT OF THE SEATE, CONCENTRATED HIS REMARKS ON POLITICAL AND OTHER ISSUES, WHILE REPRESENTATIVE SETIK GAVE COMMENTS ON ECONOMIC DEVELOPMENT MATTERS AND ISSUES RELATING TO THE TRUST TERRITORY GOVERNMENT.

THE PONAPE ENATOR REITERATED THE CONGRESS POSITION STATED AT A MEETING WITH THE UNITED STATES LAST MONTH THAT
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THE RULE OF LAW MUST BE FOLLOWED BY THE U.S. IN STATUS NEGOTIATIONS. IN LAW OF THE SEA ISSUES, BY DEALING WITH THE COMMISSION ON FUTURE STATUS AND TRANSITION AND THE LOS DELEGATION.

HE ALSO POINTED OUT THAT LAWFUL PROCEDURE "MUST BE FOLLOWED" WITH REGARD TO THE REFERENDUM NEXT YEAR ON

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THE CONSTITUTION FOR THE FEDERATED STATES OF MICRONESIA.

RELATED TO THAT, HE INDICATED THAT THE CONGRESS MAY "FORMALLY REQUEST" UN REPRESENTATIVES BE MADE AVAILABLE TO SUPERVISE THE REFERENDUM. HE ALSO SAID THEY WOULD BE "INTERESTED IN LEARNING" HOW AN APPROPRIATE UN AGENCY COULD ASSIST MICRONESIA IN DEVELOPING AN INFORMATIONAL PROGRAM OFOR THE REFERENDUM AND IN MONITORING EFFORTS BY THE ESG TASK FORCE.

FINALLY, WE TAKE THE POSITION THAT MICRONESIAN REPRESENTATIVES SHOULD ALSO BE INVOLVED IN DETERMINING WHICH TERMINATION PROCEDURES WILL BE FOLLOWED FOR THE TRUST TERRITORY...(AND) WE WISH TO LEARN FROM THIS COUNCIL TO WHAT EXTENT MICRONESIAN CAN BE INVOLVED IN THE ACTUAL TERMINATION PROCESS ITSELF."

IEHSI RECOUNTED EVENTS AT THE HONOLUL MEETING CONCLUDING THAT SINCE NO"SPECIFIC UNDERTAKINGS" WERE OBTAINED FROM THE U.S. ON CERTAIN BASIC ISSUES, THAT "IT APPEARS THAT EACH GROUP WHICH ATTENDED HAS COME AWAY WITH THEIR OWN VIEW AS TO EXACTLY WHAT WAS THE SIGNIFICANCE OF THE MEETING."

HE NOTED, HOWEVER, SEVERAL POSITIVE DEVELOPMENTS AT THAT MEETING, INCLUDING A REAFFIRMATION BY THE U.S. THAT THE STATUS OPTION OF INDEPENDENCE WAS AVAILABLE; THAT THE U.S. FAVORED A UNIFIED MICRONESIA, AND THAT MICRONESIANS AGREED TO MEET AMONG THEMSELVES PRIOR TO UNCLASSIFIED

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ANOTHER MEETING WITH THE U.S. IN JULY THIS YEAR.

SENATOR IEHSI THEN RAISED THE ISSUE OF THE CIA BUGGING. HE SUMMARIZED THE FINDINGS OF SENATOR INOUYE'S SENATE COMMITTEE ON INTELLIGENCE, AND EXPRESSED GRATITUDE AND CONFIDENCE IN PRESIDENT CARTER AND SECRETARY OF STATE VANCE'S ASSURANCES THAT NO SUCH PRACTICES WOULD BE ALLOWED IN THE FUTURE.

HE THEN DISCUSSED THE MICRONESIAN WAS CLAIMS ISSUE URGING FAVORABLE CONSIDERATION TO U.S. LEGISLATION PROVIDING FOR COMPLETE PAYMENT OF TITLE II CULAIMS AND 50 PERCENT OF THE REMAINING I CLAIMS, ADDING, "IT IS OUR SINCERE HOPE THAT THE GOVERNMENT OF JAPAN WILL SIMILARLY RESPOND TO THE UNPAID BALANCE" OF HER SHARE.

SENATOR IEHSI ALSO DELIVERED A STRONG STATEMENT CONCERNING THE JAPAN-MICRONESIA ROUTE CASE, NOTING THAT "JAPAN HAS STEADFASTLY REFUSED TO ALLOW FULL

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IMPLEMENTATION" OF THE SERVICE. HE RECALLED COM EFFORTS TO PURSUADE THE JAPANESE GOVERNMENT TO ALLOW THE SERVICE AND CONCLUDED BY URGING THE TRUSTEESHIP COUNCIL TO GIVE IT STRONG SUPPORT IN ITS REPORT TO THE SECURITY COUNCIL.

HE ALSO ASKED THAT THE PRESIDENT OF THE COUNCIL "USE HIS GOOD OFFICES" TO CONVEY THEIR CONCERN TO JAPANESE OFFICIALS AND FOR JAPAN TO "RESPECT IT INTER-NATIONAL RESPONSIBILITY" AS A UN MEMBER.

REGARDING LAW OF THE SEA MATTERS, THE SENATOR TOLD THE COUNCIL THAT THE U.S. HAD VETOED COM LEGISLATION DESIGNED TO PROTEXT MICRONESIA'S OCEAN RESOURCES, SAYING THAT "IF NECESSARY WE ARE WILLING TO SUBMIT THIS DIFFERENCE TO ADJUDICATION UNDER THE RULE OF LAW, BUT WE STILL HOPE THAT SUCH A SOLUTION IS NOT NECESSARY."
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HE THEN COVERED THE SUBJECT OF THE VETO OF A COM BILL WHICH WOULD HAVE PROVIDED THAT TT EMPLOYEES AT THE

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CABINET LEVEL WOULD HAVE TO UNDERGO RECONFIRMATION BY THE COM WHEN A NEW HIGH COMMISSIONER IS APPOINTED, SAYING THAT "WE VIEW THE EXERCISE OF VETO POWER IN THIS INSTANCE TO BE UNWISE AS IT IS WITHOUT COMPELLING LEGAL JUSTIFICATION.

THE SENATE VICE PRESIDENT ALSO MENTIONED CONCERN OVER INDEFINITE LAND USE AGREEMENTS AND ASKED THAT THE U.S. PRESENT A CLEAR POLICY STATEMENT FOR THE RECORD AT THE COUNCIL.

REPRESENTATIVE RAYMOND SETIK, WHO CHAIRS THE COM JOINT COMMITTEE ON PROGRAM AND BUDGET PLANNING, BEGAN HIS STATEMENT BY INFORMING THE COUNCIL THAT THE FIVE YEAR INDICATIVE DEVELOPMENT PLAN HAD BEEN APPROVED, AND THAT THE DISTRICTS WERE IN THE PROCESS OF FINALIZING THEIR OWN PLANS.

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ONE OF THE ACHIEVEMENTS HE NOTED IN IMPLEMENTING THE PLAN WAS THE COM LEGISLATION PROVIDING FOR A PROGRESSIVE IMCOME TAX FOR MICRONESIA.

SETIK NOTED THAT TAX INCREASES WERE NEVER POPULAR AND SOME CONCERN HAD BEEN VOICED OVER THE NEW LAW WHICH GOES INTO EFFECT NEXT JANUARY.

"SOME OF THIS CONCERN, WE BELIEVE, RESULTS FROM A LACK OF CLEAR UNDERSTANDING" HE NOTED SAYING THAT "SOME HAVE SEEN IT AS A MEASURE SIMPLY TO INCREASE CONGRESS OF MICRONESIA REVENUES. HOWEVER, THE MAJOR THRUST OF THE ACT REVEALS THAT CONGRESSIONAL REVENUES ARE INCREASED INT EH RANGE OF $300,000 WHOLE SUBSTANTIAL INCREASES ARE GIVEN TO THE DISTRICTS.

"IN FACT, THE MAJOR THRUST OF THE BILL IS TO PROVIDE GREATER REVENUES TO THE DISTRICT...FOR THE DISTRICTS TO INVEST IN THEIR OWN DEVELOPMENT PROJECTS, HE SAID.

CONGRESSMAN SETIK THEN NOTED THAT THERE HAD BEEN NO PROGRESS IN REMOVING RESTRICTIVE U.S. TARIFFS ON MICRONESIAN GOODS SINCE HIS LAST APPEARANCE LAST YEAR, AND THEN REPORTED TO THE COUNCIL THAT THE PROCESS OF FORMULATING CHARTERS FOR DISTRICT GOVERNMENTS WAS NOW UNDERWAY.

REGARDING RELOCATION OF MICRONESIAN'S CAPITAL TO PONAPE, HE SATED THAT IT WAS THE COM POSITION THAT THE

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TT GOVERNMENT OUGHT TO DO SO "WITH ALL DUE SPEED". HE NOTED THAT THE TT HIGH COURT HAD BEEN PLANNING TO MOVE, BUT RECENTLY THERE HAD BEEN REPORTS THAT WASHINGTON WAS CONCERNED OVER SUCH A MOVE.

REGARDING U.S. FUNDING FOR THE PERMANENT CAPITAL,
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HE SAID THAT "WE HAVE INFORMALLY BEEN TOLD THAT THE U.S. GOVERNMENT HAS INDICATED THAT FUNDS FOR THE PERMANENT CAPITAL FACILITIES WILL NOT BE FORTHCOMING UNTIL THE ISSUE OF FUTURE POLITICAL STATUS IS RESOLVED.

"NOW THAT THE NEW ADMINISTRATION IS TAKING SHAPE, WE WOULD WELCOME A STATEMENT BY THE UNITED STATES GOVERNMENT OUTLINING POLICY ON THE IMMEDIATE MOVE TO TEMPORARY QUARTERS AS WELL AS ONE ON FUNDING AND SUPPORT FOR CONSTRUCTION OF THE PERMANENT CAPITAL," HE SAID

REPRESENTATIVE SETIK THEN ADDED THEY WERE PLEASED TO LEARN INFORMALLY THAT THE NEW DOTA "BELIEVES THAT MICRONESIA CANNOT BE RUN FROM WASHINGTON" AND THAT SHE HAD ALREADY TAKEN STEPS TO REMOVE CERTAIN CONTROLS OF THE PAST ADMINISTRATION.

THE TRUK CONGRESSMAN THEN CONCLUDED HIS PRESENTATION BY DISCUSSING THE TRUST TERRITORY BUDGET, AND CAPITAL IMPROVEMENT PROGRAM NOTING THAT U.S. POLICY WAS "DIFFICULT TO UNDERSTAND" SINCE THE BUDGET WAS OFTEN CHANGED AS IT WENT THROUGH APPROVAL PROCESS AT VARIOUS LEVELS.

HE POINTED OUT THAT THE DEVELOPMENT PLAN CALLED FOR A BASIC INFRASTURCTURE OF ROADS, DOCKS, POWER AND WATER SYSTEMS IN ORDER FOR ECONOMIC DEVELOPMENT TO TAKE PLACE, BUT ON THE OTHER HAND THE OFFICE OF MANAGEMENT AND BUDGET BUT THIS YEAR'S REQUESTS BY SOME $20 MILLION.

"OUR FEELINGS IS THAT THE US. VIEWS THE ACCELERTED INFRASTRUCTURE PROGRAM, THUS ECONOMIC DEVELOPMENT, AS A TOOL FOR FUTURE POLITICAL STATUS PURPOSE RATHER THAN A U.S. OBLIGATION FOR ALLOWING MICRONESIANS A GREATER MEASURE OF ECONOMIC FREEDOM." SETIK STATED.

HE ALSO EXPRESSED COM CONCERN OVER WHAT HE CALLED
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A "TOP-HEAVY CENTRAL GOVERNMENT WHICH EATS UP 40 PER CENT OF THE OPERATING BUDGET FOR THE ENTIRE TRUST TERRITORY" MUCH OF ITS FOR SALARIES OF HIGHLY PAID EMPLOYEES "SOME OF WHOM CONTRIBUTE LITTLE TO THE DEVELOPMENT OF MICRONESIA."

"WE ARE SURE THAT THE NEW HIGH COMMISSIONER, MR. WINKEL, IS FULLY AWARE OF THESE PROBLEMS, AND WE ARE CERTAIN THAT BY THE NEXT SESSION OF THE TRUSTEESHIP COUNCIL WE CAN REPORT TO YOU OF SUBSTANTIAL PROGRESS IN THIS AREA," HE CONCLUDED.

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